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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

May 29, 2012

Jim Porter
Cosmic American Rare Earth Inc.
9161 West Sahara Avenue Suite 105-F9
Las Vegas, Nevada 89117

Subject: Deficient Notice of Intention to Commence Small Mining Operations, Cosmic American Rare Earth, Inc., WOW Claim, S/023/0110, Juab County, Utah

Dear Mr. Porter:

The Division of Oil, Gas and Mining has reviewed the referenced Notice of Intention to Commence Small Mining Operations (NOI), and the following items will need to be addressed before the NOI can be determined complete:

1. Section I item 3. Please include the name and contact information for the registered agent as identified by the Utah Department of Commerce.
2. Section I item 2. The name of the operator is listed as a corporation, but the box is checked indicating it is an LLC. This needs to be consistent. If the operator is an LLC, there would be members and a manager rather than a president, directors, and other similar officers.
3. According to the Utah Division of Corporations, Cosmic American Rare Earth, Inc., is not registered to do business in Utah. Please register to do business in Utah.
4. Section I item 5 and 6. Please include the office of the BLM that you are dealing with.
5. Section II item 1. If possible please include the UTM coordinates in NAD 27.
6. Section II item 1 - Please include a general location map which may be a USGS 7.5-minute quadrangle or similar map that shows how to get to the site from a paved road or known geographic location. Each area of disturbance should be shown on the general location map. The Division requests that the access routes be marked on this map. The map included with the NOI is a 7.5-minute quadrangle map, but it does not show the location of the operations.



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7. Section II item 1. Please include a map(s) at a scale of about 1 inch equals 200 feet that shows each disturbed area. The map should show such items as access roads, exploration pits and topsoil stockpile areas. It also needs to show nearby areas of previous disturbance for which you are not responsible. The maps should be of a quality that the Division can verify acreages.
8. Section III item 5 - Please provide additional information on the drilling program, specifically the number of drill holes, depth and whether or not you are likely to encounter water. This information is needed for the bond calculation.
9. Signature line: the Division needs to be able to verify that the person signing the NOI is a company officer but cannot do this until the business is registered to business in Utah.

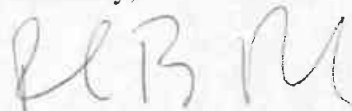
It is impossible for the Division to calculate the reclamation surety without the additional details discussed in this letter, and the Division will need to receive concurrence from the Bureau of Land Management for the surety amount. Please ensure you have submitted application to the BLM.

For an operation of the type you have proposed and from the Division's viewpoint, there is little difference between a Notice of Intention to Commence Small Mining Operations and a Notice of Intention to Conduct Exploration, but there may be a substantial difference to the BLM. The Division suggests you contact them about the difference between these types of operations.

Please provide your response as replacement pages to the original NOI, using Form MR-REV-SMO/EXP, available on the Division's web site at www.ogm.utah.gov

If you have any questions regarding this letter, please call me at 801-538-5261 or lead at 801-538-5263. In reply, please refer to file number S/023/0110. Thank you for your cooperation.

Sincerely,



Paul B. Baker
Minerals Program Manager